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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FOURTH COUNTRY PROGRAMME FOR NIUE

Programme period	Resources	$
1992-1996	Net IPF	735 000
	Estimated cost-sharing	-
	Total	735 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Niue, a self-governing land in free association with New Zealand, is a large coral head with a total area of 258 square kilometres. The population is estimated at 2,200 people, but with free access to New Zealand, there are now 12,000 Niueans residing in that country. Keeping the population in the island above the 2,000 mark has become a major challenge for the Niuean Government as there has been a steady decline since the 1970s.

2. Although there is some subsistence production on the island, Niueans are highly dependent on cash income generated from the public sector which is subsidized by budgetary support from New Zealand. Wage employment is largely in the public sector. New Zealand's budgetary support for Niue is declining and expected to be reduced further. This has serious implications for Niueans.

3. Literacy is high at 95 per cent, and there is electricity and piped water for everyone. Life expectancy is 68 years for females and 63 years for males. Gross domestic product (GDP) per capita in 1989 has been estimated at $1,800 as a result of high aid-per-capita ratios.

4. Given the fragile ecosystems of Niue and present low levels of resource/environment management capacity, the possibility exists that Niue will not be able to sustain current living standards. Already, water lenses are contaminated by agricultural chemicals and other human-made pollutants. Thus, the Government is also concerned that efforts to promote economic development are balanced by measures taken to ensure that the resource base is not destroyed in the process.

B. National development objectives and strategies

5. The national development objectives of the Niuean Government are to maintain a living community and to lessen its financial dependence on New Zealand. The first objective requires the reversal of current demographic trends, which will not happen without significant improvements in economic opportunities and other living conditions in Niue. The Government's main strategy for achieving these objectives, particularly in the light of the reduction in New Zealand assistance, is to foster and promote private sector development while reducing the size and role of the public sector.

II. EXTERNAL COOPERATION

A. External cooperation priorities

6. The Niuean Government depends on external assistance for 100 per cent of its development budget. New Zealand provides about $5 million annually (or approximately 55 per cent of total revenues), most of it as budgetary support. Australia provides 7 per cent of total aid. The main multilateral donor is UNDP which provides about $250,000 annually, 2-3 per cent of total aid, with much smaller assistance being provided by the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF). Such regional organizations as the South Pacific Commission and Forum Fisheries Agency also contribute. The sectoral distribution of development assistance favours public administration, human resource development and infrastructure. The support for the primary sector is small and is mostly in the form of technical assistance and small capital grants.

B. Aid coordination arrangements

7. Given Niue's size and the relatively small number of donors, aid coordination arrangements are straightforward with the office of the Secretary to Government having the responsibility for day-to-day coordination. In addition to providing direct support to enhance the Government's capacity for aid coordination, the UNDP office in Apia, Samoa, acts as the main channel of communication for other United Nations agencies. In addition, UNDP also facilitates dialogue and liaises regularly with such other donors as New Zealand by means of regular discussions with that country's representative during UNDP missions to Niue. The Government appreciates the efforts made by UNDP to help Niue to coordinate development assistance with national programmes.

III. THE COUNTRY PROGRAMME

A. Assessment of the ongoing country programme

8. Although the third country programme achieved useful results in a number of areas, the overall impact has been disappointing. This was due mainly to the lack of focus and concentration which was reflected not only in the scattering of limited resources, but also in the ad hoc manner of requesting and applying inputs. Cyclones also negated some of the efforts in agriculture and construction.

9. On the positive side, the flexibility of the country programme enabled UNDP to address emerging needs and to maintain and improve essential social services and government capacity while Niuean nationals were being trained. Specialists from the United Nations Volunteers programme (UNV) provided cost-effective crucial services in the health sector and in the areas of business advisory service, information/computer systems, sewage and water supplies.

B. Proposals for UNDP cooperation

1. Preparatory process

10. The preparation of the fourth country programme started with the mid-term review of the third country programme in May 1989, followed by a review of the ongoing country programme undertaken by a consultant in December 1990. In addition, the Government, UNDP and the New Zealand representative in Niue held discussions during the course of regular UNDP missions. Specialized agencies of the United Nations system were also consulted about the development needs of Niue. On the basis of these reviews and discussions, UNDP prepared its Advisory Note outlining its views on the nature and scope of Niue's fourth country programme.

2. Strategy for UNDP cooperation

11. The allocation of limited IPF resources was proposed after careful review of the Government's priority needs, support proposed by other donors, UNDP's comparative advantages and the areas of focus mandated by the Governing Council. Areas of UNDP's proven comparative advantages were its flexibility in responding to emerging national development needs, sectoral neutrality, global access to specialized expertise, and such cost-effective modalities as the use of UNVs and United Nations International Short-Term Advisory Resources (UNISTAR), and its ability to provide complementary support to country programme activities through its subregional programme.

12. For the fifth cycle, the Government proposes that UNDP cooperation be provided to strengthen national capacities and stimulate entrepreneurship through the provision of advice and training as well as direct support. The strategy allows UNDP to focus its resources on the development of the private sector in order to achieve greater impact. At the same time, some of UNDP resources will also be utilized to enhance management capacity and to ensure the continuation of essential services.

3. Proposed UNDP cooperation in selected areas of concentration

Promotion of private sector development

13. The development of the private sector is an important strategy for meeting the national objectives of maintaining Niue as a living community while lessening its financial dependence on New Zealand.

14. Continuing UNDP support to private sector development will be sought to address a number of constraints, including the lack of relevant expertise and skills, shortage of commercial space for businesses and limited credit. The focus will be on the development of local entrepreneurship, better use of available agricultural and natural resources, and increased productivity in primary production, particularly in processing agricultural products.

Training and advisory services will also be provided in such key areas as tourism, trade and marketing. UNDP support will also assist the Niuean Government to examine the shortage of space and facilities, assumed to be one of the main obstacles to business development.

15. UNDP support will complement the Government's and New Zealand's credit programmes aimed at encouraging Niueans to go into business. UNDP interventions will be characterized by a cluster of interrelated, mutually reinforcing, projects. One of the ongoing projects, Business Advisory Service, which is providing a wide range of advisory support and practical training to small businesses, will be expanded. Certain activities envisaged under the current fisheries project, Fisheries Facility II, such as support for small-scale fishing industry and training of fishermen, will be supported in order to develop the potential, limited though it may be, in fisheries. Likewise, UNDP support will help stimulate more employment and income-generating opportunities in agriculture by supporting efforts in post-harvesting and processing.

16. An amount of $364,000, or 50 per cent of the IPF, is allocated to the promotion of private sector development. Of this amount, $30,000 is allocated to complete activities of the ongoing business advisory project, with the balance to be used for new initiatives. The expected results include the availability and use of a wider range of technical support for businesses, and an environment conducive to the growth of the private sector. Since the ongoing business advisory project has illustrated that many women are interested in establishing and operating their own businesses, it is expected that developments in the private sector will further involve women in the Niuean economy.

17. UNDP support to the private sector would be complemented by those of the New Zealand and the Niuean Governments through the provision of practical and technical assistance needed for the operation of small businesses. Additional complementary assistance will come from UNDP's Pacific subregional programme in the areas of investment facilities, small industry development, small-holder agriculture, poverty alleviation, education and employable skills, and the environment. UNDP's Pacific subregional environment programme will be particularly relevant given the concern about the fragility of the Niuean ecosystems.

Health services

18. Given the need to maintain the level of health services, it is proposed that the health elements of the ongoing UNV assistance project be incorporated into a new health services project under which the services of UNV medical specialists will continue until Niuean doctors trained overseas return. Assistance will include some necessary surgical and medical equipment and supplies to reduce the need for medical evacuation. Complementary assistance will be provided by UNFPA, UNICEF and the World Health Organization (WHO).

19. Nineteen per cent of the IPF, an amount of $141,000, is allocated to this area of concentration. Of this amount, $30,000 will go towards the extension of UNV doctors currently working under the ongoing UNV-supported project. A related ongoing project, Water Resource Assessment, will be completed in 1992. The main results envisaged are continuing access to good quality health and other essential services, and improvements in the health status of the population.

Management development

20. Since the public sector, while being reduced, will continue to be an important factor in Niue, efforts to increase the cost-effectiveness of management should be continued. It is proposed to allocate $86,000, 12 per cent of the IPF, to management capacity-building. Of this amount, $30,000 will go towards the completion of the ongoing Government Information System Management and Maintenance project, NIU/90/003, with the balance earmarked for new initiatives. Expected results include improvements in the cost-effectiveness of government services in terms of timeliness and quality of service, and improved levels of technical and management capacity in terms of qualified Niuean managers and technicians. Complementary assistance will come from UNDP's Pacific subregional programme, particularly in the area of economic and financial reforms.

C. Assistance outside main country programme areas

21. The recently signed Niue Dictionary Project, aimed at providing dictionaries of the Niuean language, will use $88,000 or about 12 per cent of the IPF. While this is outside the three areas of concentration, the dictionary project is considered vital for the national goal of maintaining the integrity of the Niuean language and hence the distinct cultural identity of the community.

D. Implementation and management arrangements

22. Given their cost-effectiveness, UNV specialists will continue to be used in the fourth country programme. Other cost-effective mechanisms which will be considered are the Transfer of Knowledge Through Expatriate Nationals (TOKTEN), given the rich pool of Niuean expertise in New Zealand, and UNISTAR. National execution will continue to be a modality for implementing the country programme, with necessary backstopping provided by technical agencies. Visits to Niue from the UNDP Office in Apia will be made on a quarterly basis to ensure smooth progress in implementation. It is also intended that the mid-term review of the programme will place emphasis on the progress made towards meeting programme and project targets.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	(39)	
Fifth cycle IPF	774	
Subtotal IPF		735
Project cost-sharing (Government)	-	
Project cost-sharing (third-party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		-
TOTAL		735

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Promotion of private sector development	364	-	364	50
Health services	141	-	141	19
Management development	86	-	86	12
Assistance outside main areas	88	-	88	12
Subtotal	679	-	679	
Unprogrammed reserve	56	-	56	7
TOTAL	1 331	-	1 331	100

/...

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
Special Programme Resources	100 000 a/	
UNCDF	-	
UNSO	-	
UNIFEM	-	
UNRFNRE	-	
UNFSTD	-	
Subtotal		100 000
B. Other United Nations resources		
JCGP participating agencies	b/	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	c/	
Subtotal		-
C. Non-United Nations resources	-	
Subtotal		-
TOTAL		100 000

a/ Disaster rehabilitation.

b/ UNFPA is likely to spend resources on census activities during the next cycle although no figures are available yet.

c/ The GEF programme for the South Pacific will provide Niue with resources to manage its environment, although exact figures are not available.

Annex II

PROGRAMME MATRIX - NIUE*

Area of concentration for UNDP	Area of focus					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
1. Promotion of private sector development	*	*	*	*	*	*
2. Health services	*		*	*	*	*
3. Management development		*	*	*	*	
4. Assistance outside main areas (Niue dictionaries)						

* Asterisks indicate major linkage only.